

Bringing you news from the world of New Zealand real estate.

Do your sums to avoid unexpected surprises



Underinsurance refers to a situation where an insurance policy doesn't reflect the true value of the assets covered by that policy.

When working with a broker to determine the right insurance solution for your needs, it's up to you as the policy holder to accurately estimate the costs of replacing your assets.

When it comes to home insurance or contents insurance in particular, homeowners need to estimate the cost of replacing their home correctly and to ensure enough cover is in place to repair or rebuild their home to the same size and quality as it was before. Making sure rebuild costs are kept up to date is vital.

When you need to rebuild your home, the last thing you want to discover is that the sum insured isn't going to be enough to cover the cost of doing so.

Crombie Lockwood Claims Manager, Alana Howard, says clients are often

surprised at the costs of replacing certain assets.

"It's worth noting that relying on market valuations for setting a sum insured isn't actually giving you a totally accurate picture. Market valuations include the value of the land and not just the cost to rebuild - and it's the rebuild amount that you need your insurance policy for," Alana continues.

Keeping an eye on changing values

"Underinsurance can also be a risk where an older item might now cost a lot more to replace with its modern equivalent," says Alana.

Challenges can also come up when trying to replace unique or specialised items, such as contents that have been crafted in a hard to source material.

You can avoid underinsurance by keeping replacement cost estimates up to date. The need for an accurate

valuation extends beyond the moment an insurance policy is drawn up. Reduce your risk of being underinsured by logging all significant assets or high value purchases at the time.

The impact of Covid on sum insured

Global material shortages, supply chain delays and turbulent commodity pricing could all potentially affect how much you pay to rebuild your home to the desired standard and within the expected time period. Similarly, replacement of contents could take longer to arrive and cost more to land.

With international travel off the menu for most Kiwis, the purchase of significant items such as updated motor vehicles, lifestyle equipment like a jet ski or caravan, or improvements to the home – a new deck or spa pool for example – have become more of a priority.

New assets and changes to the nature and value of the home should be added to insurance policies accurately and when they are purchased, rather than waiting for the approach of an insurance policy renewal date.

"The best way for anyone to keep on top of their sums insured is to let their insurance broker know of any changes that might need to be made to their cover at the time of purchase," says Alana.

"Keeping that conversation going and keeping a finger on exactly what assets you have and what their values are, are the best ways to avoid any surprises in the event of a claim needing to be made."

Crombie Lockwood can help guide you through the process of setting your total sum insured to make sure you get the full insurance cover you need.

To get your insurance sorted, talk to your local broker or contact Crombie Lockwood on 0800 276 624.

Keeping your emotions in check when selling your home



it easier for potential buyers to envision themselves and their possessions in the house. Packing up your personal items and storing them out of sight early in the process can also help you come to terms with your emotions.

Remember your 'why'

When you start to second guess your decision to sell, remind yourself why you're doing it and what you have to look forward to. Make a list of and put it somewhere prominent. Whether you're downsizing, upsizing, retiring or moving closer to family, keep coming back to the upside and what motivated you to sell in the first place.

Find a sales consultant you trust

Once you've made the decision to sell, it's critical to choose a sales consultant and a company that you trust – someone who has expert local knowledge and keeps you informed throughout the process. Make sure the sales consultant can show you how he or she will maximise competition for your property while minimising any potential complications. Once you've found the right person, take their advice on board, present your property well and you can be assured of a great experience.

Your home is likely to be one of your biggest financial assets, but often it's also the place you raised your children and spent many happy hours with friends and family. Selling your home can evoke strong emotions, but here are a few strategies to help you keep those emotions in check and achieve the best result.

Home vs property

It's natural to have second thoughts about selling what you think of as 'home' and leaving behind all the memories

connected with it. As soon as you decide to sell, start thinking of your 'home' as your 'property' - an asset that you wish to sell and that you want to make as appealing as possible to others who are looking to buy.

Start with a clean slate

When preparing to list a property for sale, it's important to declutter and depersonalise your home which means removing your family portraits, knickknacks, souvenirs, diplomas and mementos. By doing so, you're making

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